

URBAN OPPORTUNITY ZONES

An anti-poverty initiative proposed by Gov. Sam Brownback


Wichita City Council Workshop

Tuesday, April 28, 2015

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Government Relations Manager



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- ❖ **What are UOZs?**
 - ❖ **Where should they be located?**
 - ❖ **What should be recommended for the City of Wichita?**

WHAT IS AN UOZ?

- ❖ Created in HB2406, introduced in the Kansas House, awaits a Tax Committee hearing
- ❖ Patterned after existing Rural Opportunity Zone statutes
- ❖ Targets low income areas to encourage population influx and economic improvements
- ❖ Adds an “urban core” feature for six “pilot” zip codes

WHAT IS AN UOZ?

COMPONENTS

(FINAL BILL VERSION STILL IN DRAFT)

- ❖ **Five-year personal tax exemption for new residents**
- ❖ **Property tax rebates/sales tax exemptions on rehab or new building construction**
- ❖ **Student loan forgiveness (3 years, \$3,000/year). Requires county match of 50 percent.**

WHERE ARE THE UOZs?

- ❖ **HB2406 lists 67210 as the selected zip code for Sedgwick County (Kansas Department of Commerce decision)**
- ❖ **Wyandotte County assigned three zip codes; Shawnee County assigned one zip code**

ALTERNATIVES TO 67210

- ❖ **Zip Codes 67213 and 67214 present better expectations for a successful UOZ**
- ❖ **United Way of the Plains “Wichita Promise” program targets 67213**
- ❖ **Interfaith Housing/Hutchinson will support with Individual Development Account (IDA) program (Restoration of IDA tax credit included in HB2406)**

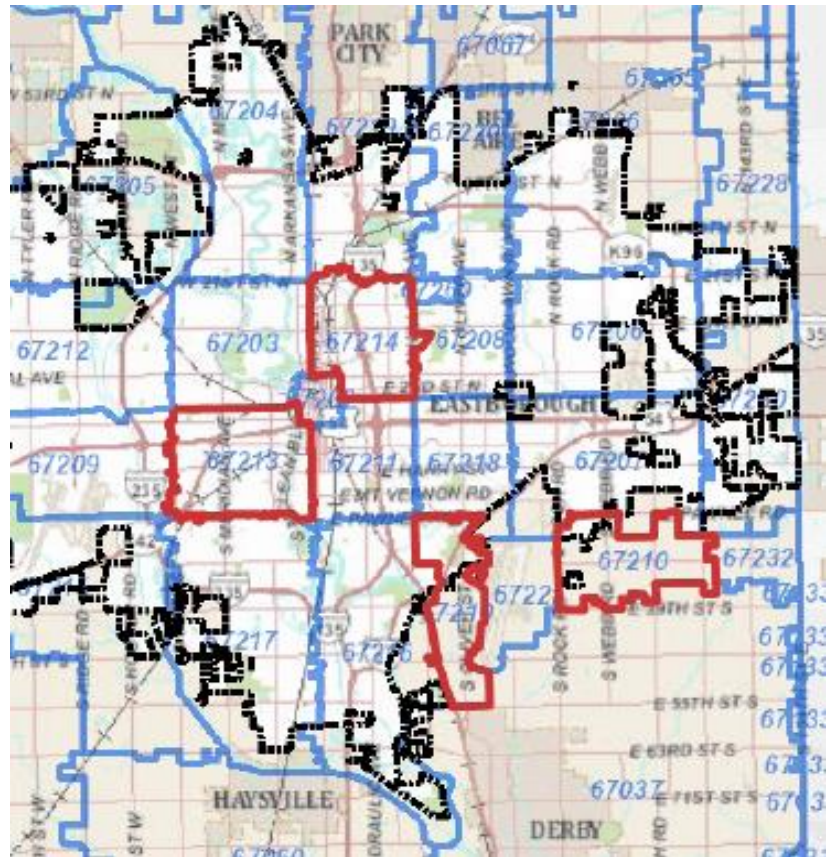
CITY OVERVIEW

ZIP CODES

67210

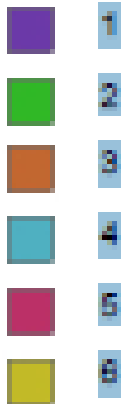
67213

67214



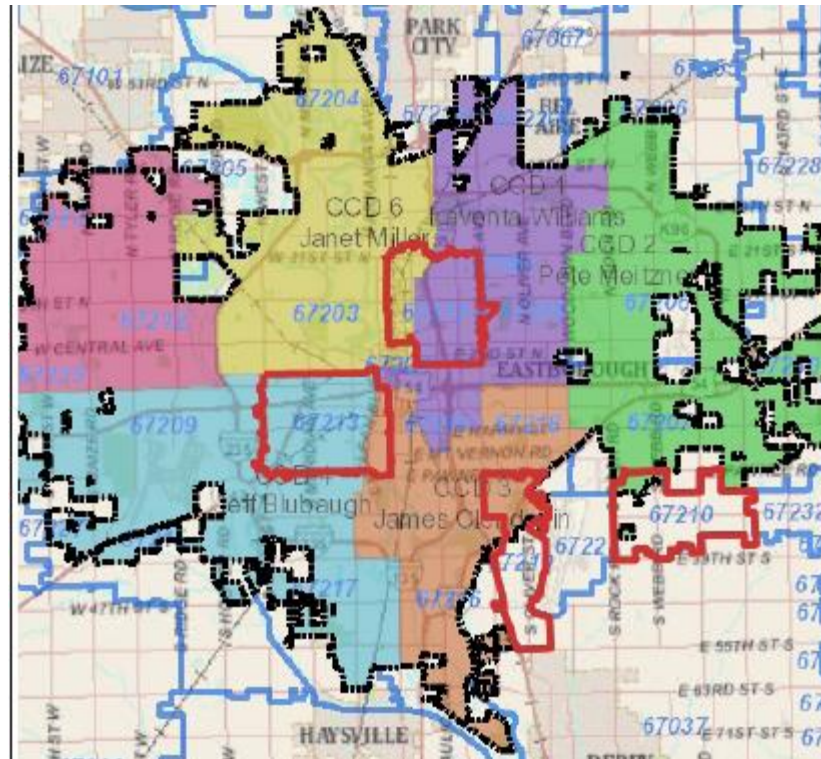
CITY OVERVIEW WITH COUNCIL DISTRICTS OVERLAY

Council Districts



Zipcodes

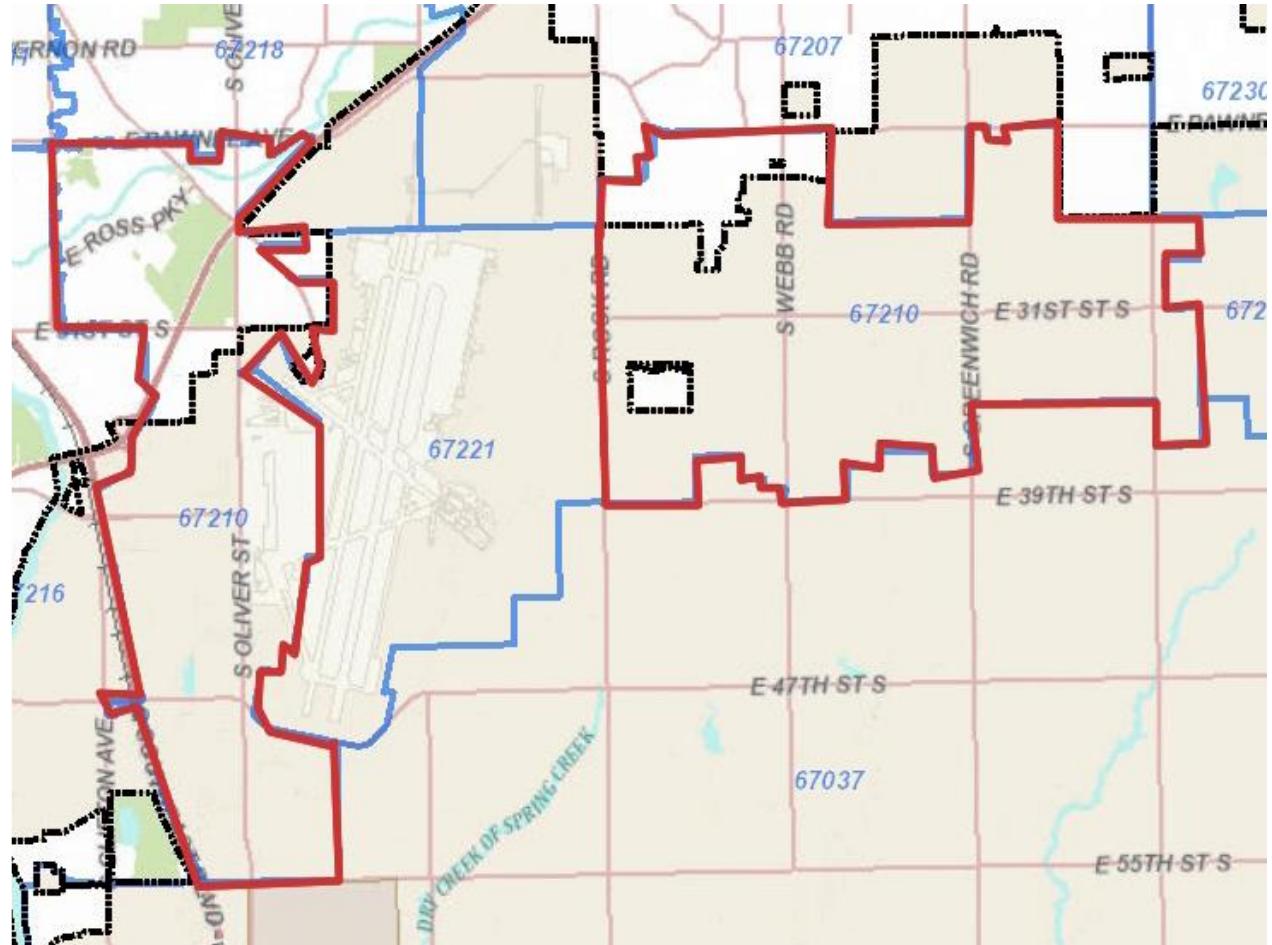
Wichita City Limits



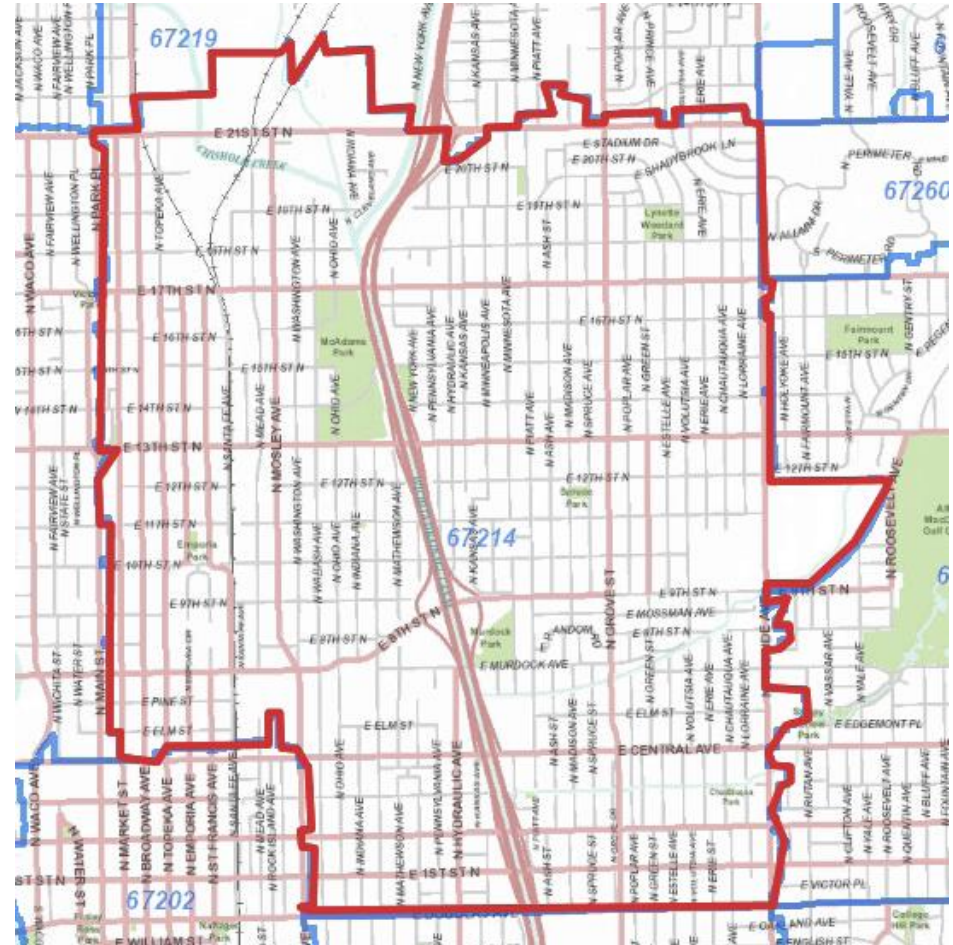
ZIP CODE 67210

Area east and west of McConnell AFB.

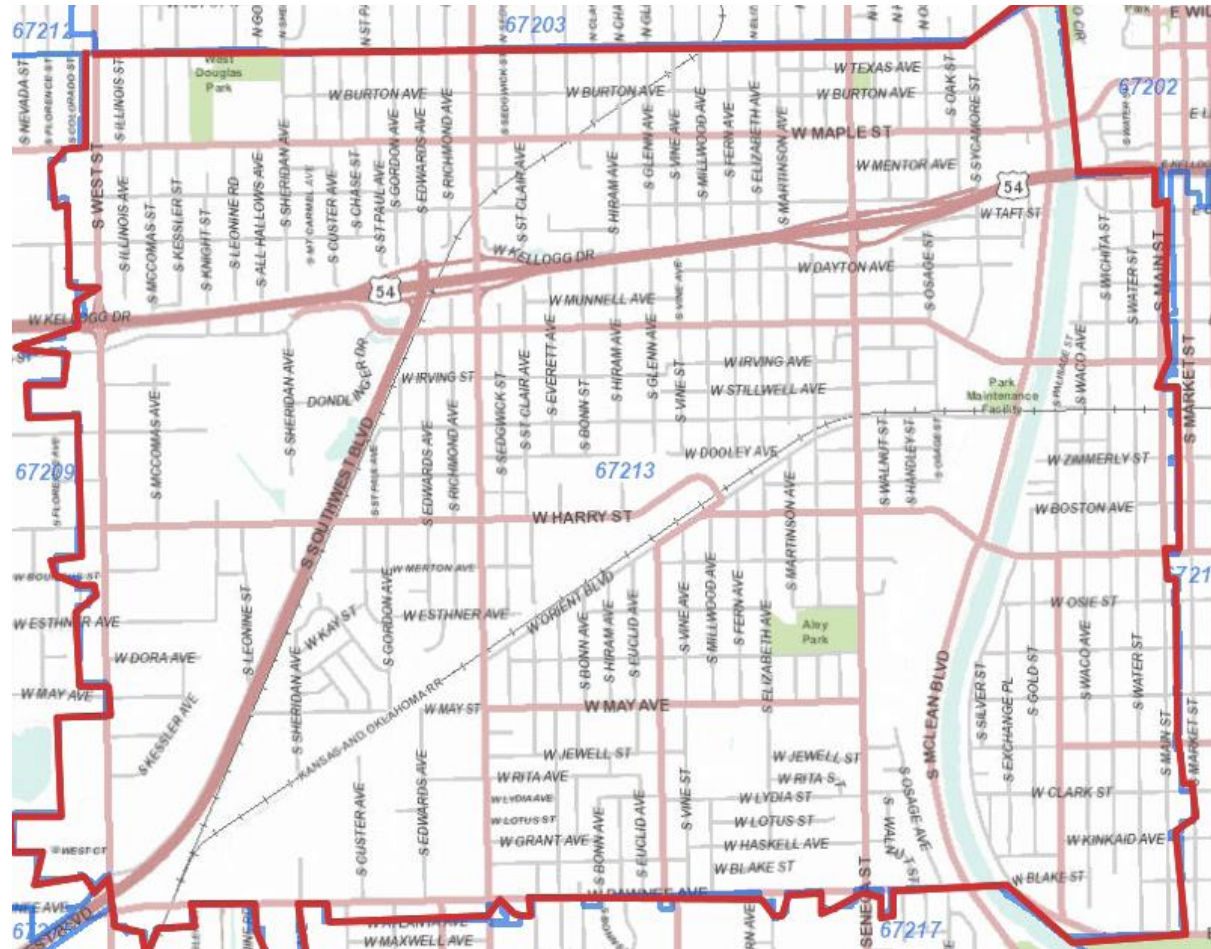
Pawnee to E. 55th S.,
Hillside to S.127th



Douglas to 21st, Waco to Hillside



Douglas to
Pawnee, S.
Broadway to West



ZIP CODE COMPARSION

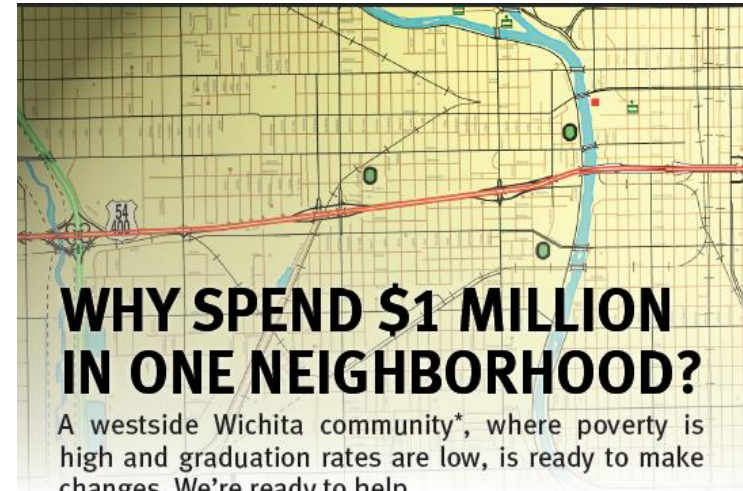
United Way of the Plains

¹ 2010 Census Data	Currently Proposed					In Comparison	
	66101	66102	66104	66603	67210	67213	67214
Located	KC	KC	KC	Topeka	Wichita	Wichita	Wichita
Population ¹	13,220	29,282	25,401	2,001	10,339	21,368	16,542
Median Age	29.4 yrs	29.8 yrs	34.8 yrs	31.7 yrs	25.8 yrs	32.3 yrs	30.4 yrs
# Households	4,704	9,818	9,434	878	3,320	8,694	6,337
Average Income per Household	\$22,753	\$31,204	\$35,180	\$17,430	\$35,181	\$29,989	\$22,588
Individuals Below Poverty Level	42.8%	33.9%	26.5%	43.6%	30.9%	30.5%	41.0%
# Housing Units	5,831	11,633	11,325	1,169	3,797	9,976	7,980
Owner Occupied Units	1,998	5,173	9,434	154	1,247	4,244	2,408
Owned-Vacancy Rate	3.9%	4.0%	3.7%	6.1%	2.7%	3.7%	3.1%
Renter Occupied Units	2,706	4,645	3,399	724	2,073	4,450	3,929
Rental-Vacancy Rate	12.8%	12.5%	14.6%	17.9%	10.8%	11.0%	14.5%
Population in Rentals	7,194	13,462	9,218	1,507	6,159	10,072	9,944
Average House Value	\$51,300	\$72,300	\$74,400	\$48,900	\$118,300	\$64,600	\$47,000

WICHITA WESTSIDE PROMISE NEIGHBORHOODS COALITION

**United Way to devote
\$1 million to helping kids in
West High neighborhood
(Wichita Eagle, April 19, 2014)**

**[http://www.kansas.com/news
/article1140648.html](http://www.kansas.com/news/article1140648.html)**



HERE'S WHY

GRADUATION RATES

Though improving, West High School had a graduation rate of 73 percent in 2012, well below the state average.

BASIC SERVICES

Few local grocers, doctors or dentists. Much of the neighborhood lacks basic services that most take for granted.

INSTABILITY

More than half of the houses are rentals and families rarely take root, moving from one place and one school to another. Switching schools so often is hard on kids.

LOW INCOMES

Many families struggle to afford the basics such as food, clothing and health care.

HERE'S HOW

WICHITA WESTSIDE PROMISE NEIGHBORHOODS

We're part of the Wichita Westside Promise Neighborhoods Coalition, a group committed to bringing new resources to the neighborhood.

NEIGHBORHOOD INPUT

We host regular meetings, inviting residents and school, civic, church and neighborhood leaders to give their input.

INVESTMENT IN IMPROVEMENT

United Way has devoted \$1 million to improve family conditions and high school graduation rates because a diploma can lead to better jobs and more productive lives. That is good for the individual and the community.

* The focus is on the neighborhoods bordered approximately by Central, Pawnee, McLean and I-235.



POLICY CONSIDERATIONS

- ❖ **Does the City of Wichita support HB2406 and the creation of Urban Opportunity Zones?**
- ❖ **Should the City of Wichita recommend an alternative zip code to 67210?**

CITY MANAGER RECOMMENDATION

- ❖ **Support passage of HB2406**
- ❖ **Request inclusion of two Sedgwick County zip codes as designated Urban Opportunity Zones in HB2406**
- ❖ **Request that zip codes 67213 and 67214 be added to HB2406**
- ❖ **If only one zip code is allowed, request the inclusion of zip code 67213**